

ONE HEALTH PLAN OF TENNESSEE, INC.

The certificate of authority was issued on 11/19/97

ADDRESS:

3100 West End Ave., Suite 600 - Nashville, TN 37203 - (615) 269-5889

WEBSITE ADDRESS:

www.onehealthplan.com

Service Area by County

West Tennessee Area: Shelby

Middle Tennessee Area: Cannon, Cheatham, Davidson, Dickson, Robertson,
Rutherford, Sumner, Trousdale, Warren, Williamson, Wilson

East Tennessee Area: NONE

The Independent Review Organization used by this HMO is Medical Care Management Associates.

| | Number Requested | Resolved in favor of member | Resolved in favor of HMO |
|------------------------|---------------------|-----------------------------------|--------------------------------|
| IRO APPEALS | | | |
| year ending 12/31/2002 | 0 | 0 | 0 |
| year ending 12/31/2001 | 0 | 0 | 0 |
| year ending 12/31/2000 | 0 | 0 | 0 |
| year ending 12/31/1999 | 0 | 0 | 0 |

If you have a complaint about your One Health Plan HMO, please call 1-800-511-3899

HMO GRIEVANCE STATISTICS

NUMBER OF GRIEVANCES/INQUIRIES FOR 2002 of the grievances reported **75%** were resolved successfully
of the grievances reported **25%** were resolved adversely

| CATEGORY | Number of Inquiries to the HMO | Number of written grievances | Number of resolved grievances | Number of adverse decisions | Number of successful resolutions |
|-------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|-----------------------------------|--|
| 1) availability/delivery of service | 0 | 0 | 0 | 0 | 0 |
| 2) claim payment/amount of payment | 4 | 4 | 4 | 1 | 3 |
| 3) contract terms and conditions | 0 | 0 | 0 | 0 | 0 |
| 4) other | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4 | 4 | 4 | 1 | 3 |

NUMBER OF GRIEVANCES/INQUIRIES FOR 2001 of the grievances reported **100%** were resolved successfully
of the grievances reported **0%** were resolved adversely

| CATEGORY | Number of Inquiries to the HMO | Number of written grievances | Number of resolved grievances | Number of adverse decisions | Number of successful resolutions |
|-------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|-----------------------------------|--|
| 1) availability/delivery of service | 1 | 0 | 0 | 0 | 0 |
| 2) claim payment/amount of payment | 3 | 4 | 4 | 0 | 4 |
| 3) contract terms and conditions | 2 | 3 | 3 | 0 | 3 |
| 4) other | 14 | 1 | 1 | 0 | 1 |
| TOTAL | 20 | 8 | 8 | 0 | 8 |

NUMBER OF GRIEVANCES/INQUIRIES FOR 2000 of the grievances reported **33%** were resolved successfully
of the grievances reported **66%** were resolved adversely

Number of Number of Number of Number of Number of

| CATEGORY | Inquiries to the HMO | written grievances | resolved grievances | adverse decisions | successful resolutions |
|-------------------------------------|---------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|
| 1) availability/delivery of service | 1 | 3 | 3 | 2 | 1 |
| 2) claim payment/amount of payment | 9 | 0 | 0 | 0 | 0 |
| 3) contract terms and conditions | 2 | 0 | 0 | 0 | 0 |
| 4) other | 15 | 0 | 0 | 0 | 0 |
| TOTAL | 27 | 3 | 3 | 2 | 1 |

NUMBER OF GRIEVANCES/INQUIRIES FOR 1999

of the grievances reported **100%** were resolved successfully
of the grievances reported **0%** were resolved adversely

| CATEGORY | Number of Inquiries to the HMO | Number of written grievances | Number of resolved grievances | Number of adverse decisions | Number of successful resolutions |
|-------------------------------------|---|---|--|--|---|
| 1) availability/delivery of service | 1 | 0 | 0 | 0 | 0 |
| 2) claim payment/amount of payment | 12 | 1 | 1 | 0 | 1 |
| 3) contract terms and conditions | 0 | 0 | 0 | 0 | 0 |
| 4) other | 15 | 0 | 0 | 0 | 0 |
| TOTAL | 28 | 1 | 1 | 0 | 1 |

NUMBER OF GRIEVANCES/INQUIRIES FOR 1998

of the grievances reported **0%** were resolved successfully
of the grievances reported **0%** were resolved adversely

| CATEGORY | Number of Inquiries to the HMO | Number of written grievances | Number of resolved grievances | Number of adverse decisions | Number of successful resolutions |
|-------------------------------------|---|---|--|--|---|
| 1) availability/delivery of service | 4 | 0 | 0 | 0 | 0 |
| 2) claim payment/amount of payment | 0 | 0 | 0 | 0 | 0 |
| 3) contract terms and conditions | 1 | 0 | 0 | 0 | 0 |
| 4) other | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5 | 0 | 0 | 0 | 0 |

PLEASE NOTE: an adverse decision indicates the decision was against member, not that the HMO was incorrect
a successful resolution means the grievance was resolved to the members satisfaction

9 YEAR MEMBER ENROLLMENT STATISTICS

| Year | Individual Members | Medicare members | Group members | Number groups | TOTAL members | Average Annual |
|-----------------|-------------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| ending 12/31/02 | | | | | | |
| ending 12/31/01 | 0 | 0 | 2,820 | 139 | 2,820 | 2,820 |
| ending 12/31/00 | 0 | 0 | 6,549 | 149 | 6,549 | 6,549 |
| ending 12/31/99 | 0 | 0 | 5,042 | 110 | 5,042 | 5,042 |
| ending 12/31/98 | 0 | 0 | 1,028 | 35 | 1,028 | 1,028 |
| ending 12/31/97 | 0 | 0 | 0 | 0 | 0 | 0 |
| ending 12/31/96 | 0 | 0 | 0 | 0 | 0 | 0 |
| ending 12/31/95 | 0 | 0 | 0 | 0 | 0 | 0 |
| ending 12/31/94 | 0 | 0 | 0 | 0 | 0 | 0 |

ONE HEALTH PLAN OF TENNESSEE, INC.

FINANCIAL HIGHLIGHTS

For the Year Ending
December 31, 2002

| | |
|-------------------------------------|------------|
| ASSETS | 10,427,343 |
| LIABILITIES | 1,062,361 |
| TOTAL MEDICAL AND HOSPITAL EXPENSES | 1,644,555 |
| TOTAL ADMINISTRATIVE EXPENSES | 674,821 |

| | |
|--|-----------|
| UNCOVERED EXPENSES | 213,053 |
| PREMIUMS NON TN CARE | 3,006,732 |
| TOTAL CAPITAL AND SURPLUS | 9,364,982 |
| NET INCOME | 1,024,031 |
| RATIO OF MEDICAL EXPENSES TO PREMIUMS | 54.70% |
| RATIO OF ADMINISTRATIVE EXPENSES TO PREMIUMS | 22.44% |